



# Reinsurance Claims Processing Manual

---

## Chapter Seven Medicare and Third Party Payments

Contractors shall cost-avoid all claims or services that are subject to 1st or 3rd party payments including Medicare, whenever possible in accordance with both the coordination of benefits and Reinsurance provisions of the contract between AHCCCS and the Contractor.

Contractors are required to notify AHCCCS or its authorized representative, within ten (10) business days of the identification of a 1st-or 3rd-party liability case with known Reinsurance. Failure to comply with the notification requirements may result in those sanctions specified in contract. Should AHCCCS or its authorized representative identify third party recovery payments received by the Contractors that do not comply with the notification requirements in this section the following actions shall occur:

- A. For open cases, AHCCCS shall reimburse itself 100% percent of any duplicate payments by adjusting the Reinsurance case. An administrative fee of 15 percent of the duplicate payments shall be added to the adjustment.
- B. For closed cases, AHCCCS or its authorized representative shall bill the contractor directly for 100% percent of the duplicate payments. An administrative fee equal to the current TPL Contractor's contingency fee schedule shall be added to the billing.

All Medicare and Third Party payers' should be billed and the encounter adjudicated through the Contractor's system prior to submission to AHCCCS. In addition, the Medicare Allowed, Medicare Paid, Third Party Payments and Value Code fields, as applicable, must be completed when the encounter is submitted for Reinsurance consideration.

